Office of the Public Sector Integrity Commissioner of Canada

Commissariat à l'intégrité du secteur public du Canada

Office of the Public Sector Integrity Commissioner of Canada

2009-10

Departmental Performance Report

The Honourable Stockwell Day
President of the Treasury Board of Canada

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Commissioner's Message

As Canada's Public Sector Integrity Commissioner, I am pleased to present the Departmental Performance Report (DPR) for 2009-10.

In the short time since the Office was established in 2007, we have made important progress on our mandate: to provide a safe and confidential mechanism enabling public servants and the general public to disclose wrongdoing committed in the federal public sector; and to protect from reprisal public servants who have disclosed wrongdoing, as well as those who have cooperated in investigations.

During 2009-10, the Office received approximately 38% more inquiries than the previous year. It is evident that we have become better known among federal employees and members of the general public, given the increased number of disclosure and reprisal cases filed. The cases we are now dealing with have also grown in complexity – several new investigations were launched this year, covering a broad range of issues and areas of activity within the federal public sector.

At the beginning of 2009-10, the Office set out to: continue informing the public sector of our role and mandate; work collaboratively with key partners to promote disclosures as a pro-social behaviour; and serve as a model of professionalism in our services to clients and the general public. As this DPR shows, the Office has made concrete achievements in line with our guiding principles to Inform, Protect, and Prevent:

- We successfully managed the increased case load and the processing of files.
- We developed a Three-Year Strategic Communications Plan, launched our new website and continued our outreach activities to inform public sector managers and employees about our role and mandate, as well as the *Public Servants Disclosure Protection Act*.
- We held very productive consultations with the Association of Professional Executives of the Public Service of Canada (APEX) and the National Joint Council of the Public Service of Canada (NJC), specifically on systemic conditions that may lead to wrongdoing in the federal public sector and possible risk mitigation strategies.
- We reviewed our internal business processes, developed a corporate risk profile, and took key steps toward preparing our organizational Strategic Plan (which will be finalized during 2010-11).
- We strengthened our partnerships with international counterparts and showed leadership by sharing our mandate and activities with delegations from Russia, China, and Ukraine.

The Office continues to emphasize prevention and outreach initiatives in order to address some of the root causes of wrongdoing. Our goal is to help foster a climate in the workplace where employees can freely raise concerns and address issues before they develop into larger problems. We continue to support Senior Officers responsible for internal disclosures in their respective departments and agencies. In October 2010, the Office will host a workshop for Senior Officers and our provincial counterparts to allow for further training and exchange of best practices with experts in the field of disclosure.

Looking forward, one of our main priorities will be to continue to prepare for the mandated five-year review of the *Public Servants Disclosure Protection Act* and its administration, to be undertaken by the Treasury Board Secretariat in 2012. We will also continue to broaden our ongoing consultations with various stakeholders, particularly to address concerns related to systemic vulnerabilities in Crown corporations.

Disclosure of wrongdoing takes considerable courage, and I want to emphasize that protecting disclosers from reprisal is not only the work of this Office, but also the collective responsibility of all public servants. We can only succeed in decisively addressing wrongdoing and actively promoting "right-doing" when we all work together.

Christiane Ouimet
Public Sector Integrity Commissioner of Canada

SECTION I: DEPARTMENTAL OVERVIEW

Raison d'être

The Office of the Public Sector Integrity Commissioner of Canada was set up to administer the *Public Servants Disclosure Protection Act* (PSDPA or the *Act*), which came into force in April 2007. The Office is mandated to establish a safe, independent, and confidential process for public servants and members of the public to disclose potential wrongdoing in the federal public sector. The Office also exists to protect from reprisal those public servants who have filed disclosures or participated in related investigations. In addition to its legislated mandate, the Office emphasizes prevention of wrongdoing and the promotion of open dialogue in the federal public sector. Ultimately, the Office aims to support and advance the proud tradition of public sector integrity for which Canada is renowned worldwide.

Responsibilities

The Office is headed by a Commissioner whose appointment by Order in Council as an Agent of Parliament was approved by resolution of both Houses of Parliament in August 2007. The Commissioner reports directly to Parliament, and has the rank, powers, authorities and accountabilities of a deputy head of a department or agency.

The Commissioner has jurisdiction over the entire public sector – including separate agencies and parent Crown corporations – which numbers approximately 400,000 public servants. Under the PSDPA, members of the general public can also come to the Office with information about a possible wrongdoing in the federal public sector. However, the Commissioner does not have jurisdiction over the Canadian Forces, the Canadian Security Intelligence Service, and the Communications Security Establishment, each of which is required under the PSDPA to establish internal procedures for disclosure of wrongdoing and protection against reprisal similar to those set out in the *Act*.

The Office conducts independent reviews and investigations of disclosures of wrongdoing and complaints of reprisal in a fair and timely manner. In cases of founded wrongdoing, the Commissioner issues findings and makes recommendations to chief executives for corrective action. The Commissioner exercises exclusive jurisdiction over the review, investigation, conciliation and settlement of reprisal complaints. This includes making applications to the Public Servants Disclosure Protection Tribunal, which has the power to determine if reprisals have taken place and to order appropriate remedial and disciplinary action.

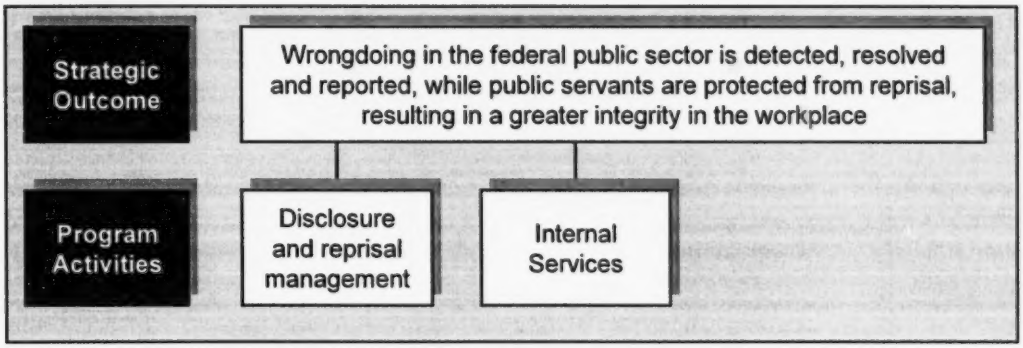
The Office is guided at all times by the public interest and the principles of natural justice and procedural fairness. The Commissioner submits an annual report to Parliament, and also reports to Parliament on cases of founded wrongdoing. She may also submit special reports to Parliament at any time.

More information about the Office's mandate, roles, responsibilities, activities, statutory reports and the PSDPA can be found on the following website: www.psic-ispc.gc.ca.

The provision of safe disclosure mechanisms and protection for public servants against reprisal is a shared responsibility. Under the PSDPA, Treasury Board Secretariat is responsible for establishing a Code of Conduct for the entire federal public sector. Each Chief Executive is also responsible for implementing the *Act* within their area of jurisdiction.

Strategic Outcome and Program Activity Architecture (PAA)

The Office has one strategic outcome that guides the pursuit of its mandate and reflects the long-term benefits sought for Canadians as demonstrated in the following chart:


Strategic Outcome
Wrongdoing in the federal public sector is detected, resolved and reported, while public servants are protected from reprisal, resulting in a greater integrity in the workplace
Program Activities
Disclosure and reprisal management
Internal Services

Summary of Performance

2009–10 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending *
6,538	6,711	3,845

* The amounts displayed for "Actual Spending" differ slightly from the "Authorities used in the current year" as reported in the Public Accounts. These amounts were subsequently revised based on the recommendation of the Office of the Auditor General.

2009–10 Human Resources (FTEs)

Planned	Actual	Difference
41	22	19

The planned amounts represent estimates originally planned for when the Office was created in 2007-08 on the basis of a fully established organization. The actual implementation of the Office and its activities has taken place at a more measured pace. The Office's resource utilization is expected to rise as operational activities, case volumes and case complexities (i.e. number of issues involved, multiple parties etc.) continue to increase as a result of outreach initiatives and growing awareness of the PSDPA and the Office. Investing in increasing the internal capacity will remain a priority to meet the growing operational requirements and to continue to carry out the Office's mandate.

Strategic Outcome 1: Wrongdoing in the federal public sector is detected, resolved and reported, while public servants are protected from reprisal, resulting in a greater integrity in the workplace		
Performance Indicators	**Targets**	**2009–10 Performance**
Public servants and Canadians are aware of PSIC's role and mandate	▪ Reach out to all federal public servants ▪ Reach out to the general public	Developed a Three-Year Strategic Communications Plan
		Launched the Office's revamped website and developed various information tools
		Delivered presentations to public servants in various departments and agencies to promote understanding of our Office's role and mandate and the PSDPA
		Participated in key events with large numbers of public servants through presentations and information kiosks
Inquiries and investigations are conducted efficiently and in accordance with the PSDPA	▪ Review of current practices and establishment / refinement of all processes and procedures	Launched several new investigations
		Responded to a 38% increase in general inquiries in an effective and efficient manner
		Conducted quality control of all reprisal cases and several disclosure cases
		Engaged leading experts to help finalize processes, procedures, and policies related to investigations and inquiries
		Acquired the necessary expertise to conduct complex investigations in specialized fields (e.g. procurement, ATIP, HR)
		Successfully managed the increased case load and the processing of files
Disclosure of wrongdoing is considered a pro-social behaviour	▪ Develop tools and best practices ▪ Implement the Prevention Strategy	Continued to implement the Prevention Strategy by researching systemic conditions that may give rise to wrongdoing in the public sector through consultation sessions with the Association of Professional Executives of the Public Service of Canada (APEX) and the National Joint Council of the Public Service of Canada (NJC)
		Held focus groups with key stakeholders as part of the development of a decision-making guide for potential disclosers
		Continued to broaden the Senior Officers' Network through targeted and monthly meetings
		Raised awareness among central agencies of the systemic risks in small departments and agencies

($ thousands)

Program Activity	2008–09 Actual Spending **	2009–10 *				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending **	
Disclosure and Reprisal Management	3,611	4,439	4,439	4,557	2,189	Government Affairs
Internal Services ***	N/A	2,099	2,099	2,154	1,656	Government Affairs
Total	3,611	6,538	6,538	6,711	3,845	

* Commencing in the 2009-10 Estimates cycle, the resources for Program Activity: Internal Service is displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by Program Activity between fiscal years.

** The amounts displayed for "Actual Spending" differ slightly from the "Authorities used in the current year" as reported in the Public Accounts. These amounts were subsequently revised based on the recommendation of the Office of the Auditor General.

*** Internal services include activities and resources that support the core business needs of the Office, e.g. oversight, communications, human resources and financial management, information management, travel and administrative services, etc.

Contribution of Priorities to Strategic Outcome

Operational Priorities	Type	Status	Linkages to Strategic Outcome
Informing the public sector about our role and mandate	Previously committed to / Ongoing	Mostly met Implemented the second phase of the Prevention Strategy, which included: • conducting focus groups with various levels of public sector employees and external stakeholders during the development of a decision-making guide for public servants considering making a disclosure; • establishing a collaborative relationship with the Canada School of the Public Service to ensure information about the disclosure and reprisal regime is integrated into learning activities. Developed Three-Year Strategic Communications Plan, which included: • launching the Office's revamped website to ensure information on disclosure of wrongdoing and protection from reprisals is widely available to public sector employees and the general public; • developing various information tools for distribution within the public sector (brochure, poster, pocket card, promotional item); • delivering 20 presentations to public servants in 14 departments and agencies to promote understanding of our Office's role, mandate and the PSDPA; • managing information kiosks and delivering presentations at five large-scale events (attended by employees, managers, executives and Senior Officers).	*Strategic Outcome 1:* Wrongdoing in the federal public sector is detected, resolved and reported, while public servants are protected from reprisal, resulting in a greater integrity in the workplace. In order for wrongdoing to be properly reported, public servants and members of the general public must be aware of our services and of the resources available to them.

Operational Priorities	Type	Status	Linkages to Strategic Outcome

Serving as a model of professionalism in the conduct of inquiries and investigations	Previously committed to / Ongoing	Met all Conducted quality control of all reprisal cases and several disclosure cases to ensure results met high investigative standards. In accordance with the PSDPA, launched several new investigations, and closed many disclosure cases and reprisal cases following extensive review. Began development of a comprehensive Procedural Guide for the handling of disclosure of wrongdoing and reprisal complaints under the PSDPA. Researched and documented national and international best practices in the field of public disclosure regimes. Continued to build upon partnerships with leading experts both within Canada and around the world, including our international counterparts (US, UK, Australia, New Zealand), academia (École nationale d'administration publique, various Canadian universities), as well as Canadian advocacy groups and international Non-Governmental Organizations (NGO) supporting disclosers. Demonstrated leadership by sharing best practices with interested delegations from Russia, China, and Ukraine. Responded to over 200 general inquiries within short timeframes, ensuring public servants and the general public obtained necessary information in a timely manner.	*Strategic Outcome 1:* Wrongdoing in the federal public sector is detected, resolved and reported, while public servants are protected from reprisal, resulting in a greater integrity in the workplace. Because a culture of disclosure is not yet entrenched in the public sector, PSIC must be seen as a competent and trusted avenue to make disclosures of wrongdoing and to be protected from reprisal.

Operational Priorities	Type	Status	Linkages to Strategic Outcome
Continue to engage with key partners in promoting a culture of disclosure and integrity in the workplace	Previously committed to / Ongoing	Met all Continued to implement Prevention Strategy (phase II) by: • holding productive consultations with the Association of Professional Executives of the Public Service of Canada (APEX) and the National Joint	*Strategic Outcome 1:* Wrongdoing in the federal public sector is detected, resolved and reported, while public servants are protected from reprisal, resulting in a greater integrity in the workplace. Recognizing that an enforcement

Management Priorities	Type	Status	Linkages to Strategic Outcome(s)
Effective and efficient internal management	Previously committed to / Ongoing	Mostly met Developed and implemented a corporate risk profile to identify and mitigate risks. In collaboration with the Audit and Evaluation Committee (made up of external members), developed a three-year risk-based audit plan, which will be implemented beginning in 2010-11. Continued to ensure good governance and sound stewardship by auditing the financial statements and the internal controls implemented last fiscal year. Developed / revised and implemented corporate policies and procedures, including: • BlackBerry Wireless Handheld Policy • Health and Safety Policy • new procedures for petty cash, hospitality expenses, etc. • several human resource-related policies.	*Strategic Outcome 1:* Wrongdoing in the federal public sector is detected, resolved and reported, while public servants are protected from reprisal, resulting in a greater integrity in the workplace. PSIC is working to build organizational capacity through implementing sound information management procedures and corporate policies.

		Launched a corporate-wide information management project to ensure proper collection, utilization and reporting of information.	

Management Priorities	Type	Status	Linkages to Strategic Outcome(s)
HR Management	Previously committed to / Ongoing	Mostly met Launched a strategic planning exercise, which, once completed in 2010-11, will lead to the development of an integrated strategic business plan so that an assessment of current skills and expertise and gap analysis can be made. Continued to foster collaborative relationships with other small agencies to exchange best practices related to issues of common interest, as well as to establish or renew service agreements for IT, finance, and HR services.	*Strategic Outcome 1:* Wrongdoing in the federal public sector is detected, resolved and reported, while public servants are protected from reprisal, resulting in a greater integrity in the workplace. Recognizing that human resource management is key to success, PSIC has made concerted efforts to attract and retain people with the right skills and experience. This remains a challenge in the current environment, and is even more difficult for a small organization in which specialized skills are often required.

Risk Analysis

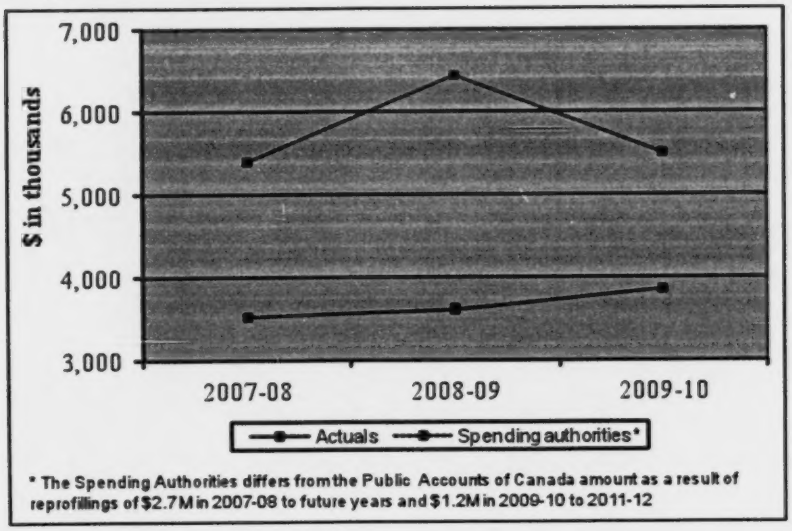
The Office has a highly visible profile due to the sensitivity of its mandate. As an Agent of Parliament, the Office operates in a highly dynamic environment that includes new and evolving expectations. The Office is addressing these challenges while continuing to provide effective services. A corporate risk profile has been developed, which identifies and assesses risks of strategic importance. Risk mitigation actions have also been identified, and these are being integrated with business planning and day-to-day program activities. In conjunction with the development of the corporate risk profile, a three-year risk-based audit plan was established and approved by the Audit and Evaluation Committee during 2009-10.

Information Security
Information security is critical in the context of disclosures, investigations and the need for preserving confidentiality. Sensitive or private information must be protected from potential loss or inappropriate access in order to avoid potential litigation, damaged reputation and further reluctance in coming forward. The Office has implemented many practices aimed at ensuring the security of information, which include briefing and confidentiality agreements, random information security checks within premises, controlled access for the storage of sensitive information, and a "threat risk assessment" of information management and information technology security. A new Case Management System will also be implemented, resulting in strengthened access and security features.

Awareness of the Office's Mandate
Public servants and Canadians may be unaware of services provided by the Office, or may be reluctant to use such services. Limited awareness and trust, in particular among public servants, can directly impact the Office's ability to achieve its mandate. Public servants are less likely to make a disclosure if they do not have a clear understanding of the services available or if they lack trust that they will be adequately protected or that the issue will be addressed. To continue to create awareness of our mandate and further develop confidence, the Office is increasing its visibility through multiple communication channels, outreach initiatives, and partnerships with key stakeholders and experts.

Internal capacity
Maintaining human resources, namely through recruitment, development and retention of employees with adequate competencies, skills and experience is a demanding management responsibility. The high mobility of skilled professionals across the federal public sector and the greater impact of turnover on small organizations can create challenges for knowledge transfer, succession planning and corporate memory. To ensure that human resources are maintained and further enhanced, the Office is reviewing its positions and classifications, and conducting a gap analysis of competencies and skills in relation to operational requirements. Results of the review and gap analysis will be incorporated into the human resource management plan. In 2009-10, the Office made effective use of highly experienced and skilled consultants to help mitigate this risk and to provide access to timely expertise when required. Investing in increasing the internal capacity will remain a priority to meet the growing operational requirements and to continue to carry out the Office's mandate.

Expenditure Profile



The Office has spent less than initially anticipated since its creation in April 2007. Differences between spending authorities and actual spending are mainly due to the complexities of trying to estimate resource requirements, program expenditures, case volumes and inquiries in the context of a newly-established organization. Spending authorities were allocated on the basis of the Office being at full strength from the outset, whereas the organization has developed at a more gradual pace. Moreover, the Office has achieved efficiencies through shared service arrangements for some of its corporate processes and systems, namely financial, human resources and information technology.

Actual spending is expected to continue to increase in future years, as inquiries and case volumes rise, investing in increasing internal capacity remains a strategic priority and as the Office remains committed to increasing awareness of its mandate through various outreach and communication initiatives. The continued implementation of the prevention strategy, along with the identification of possible strategies for mitigating systemic risks in the federal public sector will contribute to a public service culture that is open to disclosure. Together these efforts will serve to strengthen the Office's management practices and reputation as a trusted avenue for those making disclosures and seeking protection from reprisal. It should be noted that the PSDPA, as well as the Office's administration and operations, will be assessed as part of the independent five-year review that is required to be undertaken in 2012.

Voted and Statutory Items

($ thousands)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2007–08 Actual Spending	2008–09 Actual Spending *	2009–10 Main Estimates	2009–10 Actual Spending *
50	Program Expenditures	3,354	3,280	6,033	3,481
(S)	Contributions to employee benefit plans	166	331	505	364
Total		3,520	3,611	6,538	3,845

* The amounts displayed for "Actual Spending" differ slightly from the "Authorities used in the current year" as reported in the Public Accounts. These amounts were subsequently revised based on the recommendation of the Office of the Auditor General.

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Strategic Outcome

Strategic Outcome 1: *Wrongdoing in the federal public sector is detected, resolved and reported, while public servants are protected from reprisal, resulting in a greater integrity in the workplace.*

The Office pursues this outcome through three guiding principles: **inform, protect** and **prevent**. The Office's outreach activities are a key means to *informing* public servants about the legislation and our mandate. The core business of the Office is to *protect* the public interest by investigating cases of alleged wrongdoing and by protecting public servants from reprisal. Protection also extends to the identities of those involved in an investigation, the rights of those against whom an allegation is brought forward, as well as any information that is gathered during the course of an investigation. Lastly, the Office utilises a *prevention*-oriented approach to reduce the occurrence of wrongdoing and to promote "right-doing" in the workplace. The ultimate goal is to foster a work culture that is open to dialogue and disclosure of unethical behaviour, as well as one that protects public servants from reprisal.

The Preamble of the PSDPA articulates the benefits of this strategic outcome to Canadians: "the federal public administration is an important national institution and is part of the essential framework of Canadian parliamentary democracy". The Office's role in addressing wrongdoing and promoting integrity among public servants ensures that public confidence in public institutions is maintained and enhanced.

Program Activity: Disclosure and Reprisal Management

This program activity includes the management of disclosure and reprisal programs, as well as education initiatives and prevention of wrongdoing in the workplace.

Program Activity: Disclosure and Reprisal Management					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending *	Planned	Actual	Difference
4,439	4,557	2,189	33	15	18

* The amounts displayed for "Actual Spending" differ slightly from the "Authorities used in the current year" as reported in the Public Accounts. These amounts were subsequently revised based on the recommendation of the Office of the Auditor General.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Increased confidence in Canadian federal public institutions and in the integrity of public servants	Public servants and Canadians are aware of the role and mandate of the Commissioner	Reach out to public servants through focused, sustained and strategic outreach initiatives, including liaising with all senior officers and identifying target stakeholder groups Reach out to Canadians and public servants through revamped website	Mostly met	Developed a Three-Year Strategic Communications Plan Launched the Office's revamped website and developed various information tools Delivered presentations to public servants in various departments and agencies to promote understanding of our Office and mandate Participated in key events involving large numbers of public servants
	Inquiries and investigation are conducted efficiently and in accordance with the *Act*	Review of current practices and establishment/ refinement of all processes and procedures	Met all	Launched several new investigations and closed many disclosure and some reprisal cases Conducted quality control of all reprisal cases and several disclosure cases Engaged leading experts to review processes, procedures, and policies related to investigations and inquiries Responded to more than 200 general inquiries within short timeframes Successfully managed the increased case load and the processing of files
	Recognition of disclosures as a pro-social behaviour	Development of tools and best practices Implementation of Prevention Strategy	Mostly met	Continued to implement the Prevention Strategy by holding consultations with APEX and NJC on systemic issues that may lead to wrongdoing in the workplace Held focus groups with key stakeholders in the course of developing a decision-making guide to help those considering making a disclosure of wrongdoing Continued to broaden and strengthen the Senior Officers' Support Network through targeted and monthly meetings Promoted dialogue through presentations

Benefits for Canadians

The Disclosure and Reprisal Management program activity aims to enhance confidence in federal public institutions and in those who serve Canadians. It helps to build effective and credible organizations where public servants and citizens can, in good faith and confidence, raise their concerns about potential wrongdoing. It assists federal government organizations in preventing wrongdoing in the federal public service workplace and in promoting integrity. It also contributes to increasing Canada's reputation as a leader in terms of disclosure regimes. It is in the public interest to maintain and enhance public confidence in the integrity of public servants.

Performance Analysis

As outlined above, the Office succeeded in meeting most of the targets set out in its 2009-10 RPP for the Disclosure and Reprisal Management program activity. As evidenced by the increased volume and complexity (i.e. number of issues involved, multiple parties etc.) of cases received by the Office, more and more public servants and members of the general public have a better understanding of our mandate and services. Performance indicators will be finalized in 2010-11 as part of the strategic planning process.

Lessons Learned

While the Office has developed a three-year Strategic Communications Plan, it is clear that much more needs to be done to reach the majority of public servants who are covered under the PSDPA (around 400,000 employees). The Office has found that making key contacts in interested departments has provided opportunities to build awareness and reach more people. Buy-in from senior management has greatly facilitated the Office's work in various sectors. Participation in kiosks at various conferences has also proven to be an excellent way of reaching large audiences. Eventually, the Office will also have to develop further plans to educate the general public of its work.

Program Activity: Internal Services

Internal services include activities and resources that support the core business needs of the Office, e.g. oversight, communications, human resources and financial management, information management, travel and administrative services, etc.

Program Activity: Internal Services					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending *	Planned	Actual	Difference
2,099	2,154	1,656	8	7	1

* The amounts displayed for "Actual Spending" differ slightly from the "Authorities used in the current year" as reported in the Public Accounts. These amounts were subsequently revised based on the recommendation of the Office of the Auditor General.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Support to program needs and corporate obligations	Under development during 2010-11 as part of the Strategic Planning process	Finalize the implementation of all corporate policies and procedures including audit Establish partnerships with other small agencies to allow for the exchange of best practices	Mostly met	Reviewed internal business processes Developed corporate risk profile and risk-based audit plan Initiated process to develop three-year Strategic Plan Initiated information management project

Benefits for Canadians

The Internal Services program activity contributes to the effectiveness and efficiency of program operations, the appropriate management of resources, the safeguarding of public assets, the reporting of reliable and timely information, and the compliance of activities with applicable legislation, regulation, policies and delegated authorities. It also contributes to the promotion of public service values and the creation of a healthy work environment not only within the Office, but also by extension, within the wider public sector.

Performance Analysis

While performance indicators and targets were not finalized during 2009-10 (they are a priority for 2010-11 and will be reviewed as part of the strategic planning process), the Office made concrete efforts towards formalizing standard office procedures and policies. A Corporate Risk Profile was developed to identify and mitigate risks to our core business. In tandem with the Audit and Evaluation Committee (made up of external members), the Office also developed a three-year risk-based audit plan, which will be implemented starting in 2010-11.

Lessons Learned

The Office is continuing to strengthen its organizational capacity by developing various corporate policies. In particular, the Office will focus on the information management project in 2010-11 to ensure sound processes and procedures. As noted in the Risk Analysis in Section I, human resources management remains a challenge. The Office has begun to overcome some of these HR-related issues through the exchange of best practices and lessons learned with other small agencies. It will also continue to use highly experienced and skilled consultants to access timely expertise when required.

SECTION III: SUPPLEMENTARY INFORMATION

Financial Highlights

The financial highlights presented within this Departmental Performance Report are intended to serve as a general overview of the Office's financial position and operations. The Office's financial statements have been audited by the Office of the Auditor General on an annual basis since 2008-09 and these detailed financial statements can be found at: http://psic-ispc.gc.ca/quicklinks_liensrapides/09_10_finstats_etatsfin-eng.aspx

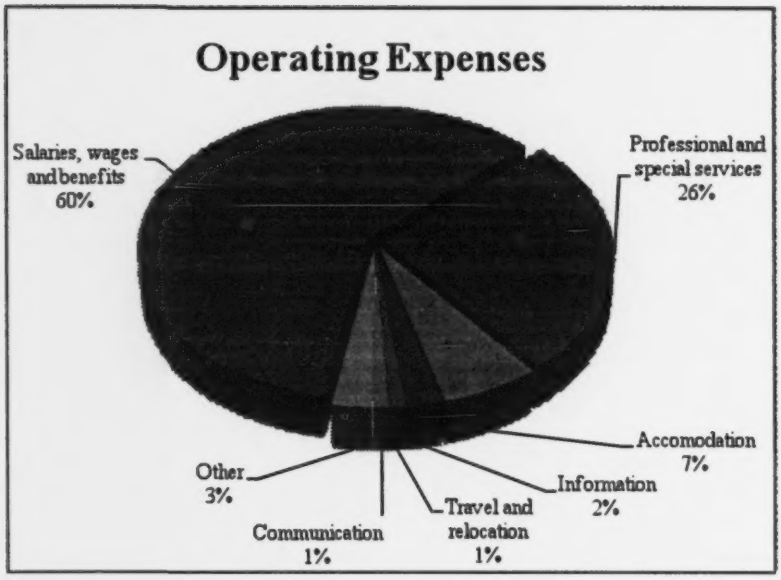
(in $ thousands)

Condensed Statement of Financial Position as at March 31	% Change	2009	2010
Total Assets	-37%	463	293
TOTAL	-37%	**463**	**293**
Total Liabilities	-32%	1,030	704
Total Equity	-28%	(567)	(411)
TOTAL	-37%	**463**	**293**

(in $ thousands)

Condensed Statement of Operations for the year ended March 31	% Change	2009	2010
EXPENSES			
Total Expenses	-4%	4,228	4,045
REVENUES			
Total Revenues	-	-	-
NET COST OF OPERATIONS	-4%	**4,228**	**4,045**

Expenses are largely in line with the 2008-09 fiscal year. They primarily relate to salaries, wages and benefits of which the majority support the Disclosure and Reprisal Management Program; and professional and special services mainly utilized by Internal Services to supplement internal resources and allow the pooling of expertise contributing to lowered administrative costs.



Other Items of Interest

Internal Audits and Evaluations
A re-assessment of internal controls over financial management and reporting will be conducted early in 2010-11 to ensure that the Office continues to maintain appropriate management practices in these areas.

The Office has completed a risk-based audit plan, which the Departmental Audit and Evaluation Committee recommended for approval to the Commissioner. In 2010-11, the Office plans on conducting audits on contracting services, finance and administration, and confidentiality and security. Recognizing the value for money principle and the Office's capacity, opportunities to participate in horizontal audits by the Office of the Comptroller General will be explored where appropriate.

In accordance with provisions of the PSDPA, an independent review of the *Act* and its administration and operation will be conducted by TBS five years after it came into effect, on April 1, 2007. A report will be tabled before Parliament within the first 15 days that each House is sitting after the review is completed.

Departmental Audit and Evaluation Committee
The Office has a Departmental Audit and Evaluation Committee composed of four members external to federal government, one of which chairs the Committee. Ex-officio members include the Commissioner and the Chief Financial Officer.

The Committee ensures that the Commissioner has independent and objective advice, guidance, and assurance on the adequacy of management and accountability processes.

For this purpose, the Committee exercises active oversight over key areas of management control and accountability, including values and ethics, risk management, internal control, internal audit and evaluation, financial statements, public accounts, and other statutory reports such as the Annual Report, the Report on Plans and Priorities, and the Departmental Performance Report. The Committee meets at least four times per year.

Shared Service Arrangements

The Office has shared service agreements with the Canadian Human Rights Commission and Public Works and Government Services Canada, who provide administrative services to the Office on a contractual basis. These arrangements supplement internal resources of the Office and allow the pooling of expertise in specific areas. Shared service arrangements contribute to lowering costs for internal services.

The Canadian Human Rights Commission provides services in the areas of financial management (namely transaction processing and reporting), security clearances and building security arrangements, procurement and contracting, telecommunications, information management, information technology and human resources information systems. Public Works and Government Services Canada provides services in the areas of human resources management, namely planning, staffing, classification, labour relations, policies and procedures, and human resources reporting requirements to central agencies.